

Job Service Retiree Meeting



May 18, 2009
Sparb Collins



North Dakota Public Employees Retirement System

Meeting Purpose

- Overview/update of Job service
- Legislation
- Update on the health plan





Retirement Plan



North Dakota Public Employees Retirement System

Retirement terms

- **Actuarial Valuation** — annual evaluation done by the systems actuary which determines and compares the actuarial value of assets to the accrued liabilities and determines the actuarial required employer contribution
- **Actuarial value of assets** — is a method for valuing assets over a five year period which provides more stability for planning purposes.
- **Market value of assets** — the actual value of assets on a given day



Retirement Equation

■ Contributions + Investment = Benefits + Expenses

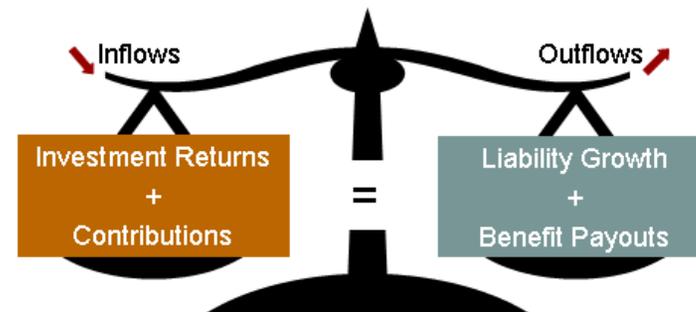
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Economic

- Plan return
- Salary increases

↓
Demographic

- Retirement rates
- Disabilities
- Mortality

- Experience Study
- Asset Liability Study



On an annual basis, the funded status calculation is used to measure a company's ability to meet this obligation. In its most basic form, funded status is determined using the formula:

$$\frac{\$ \text{ Plan Assets}}{\$ \text{ Plan Liabilities}}$$

2008 Actuarial Valuation - Job Service

- Frozen plan; declining membership
- Gain this year from salary increases (4.0% vs. 5.0% assumed)
- Gain this year from COLA (2.2% vs. 5.0% assumed)
- Loss from investment return (6.4% vs. 7.5% assumed)

2008 Actuarial Valuation - Job Service

	2008	2007	Change
Total Number of Active Members	38	40	5.0% decrease
Average Age of Active Members	56.4 years	55.5 years	increase
Average Annual Salary	\$46,385	\$46,079	0.7% increase
Total Payroll	\$1,763,000	\$1,843,000	4.4% decrease

Pensioners (including disableds) and beneficiaries:

Number paid by retirement plan

118

118

Total annual benefits

\$2,987,764

\$2,907,865

Average annual benefit

\$25,320

\$24,643

Number of Travelers annuitants

98

102

Total annual benefits from plan
(COLAs)

\$567,246

\$551,283



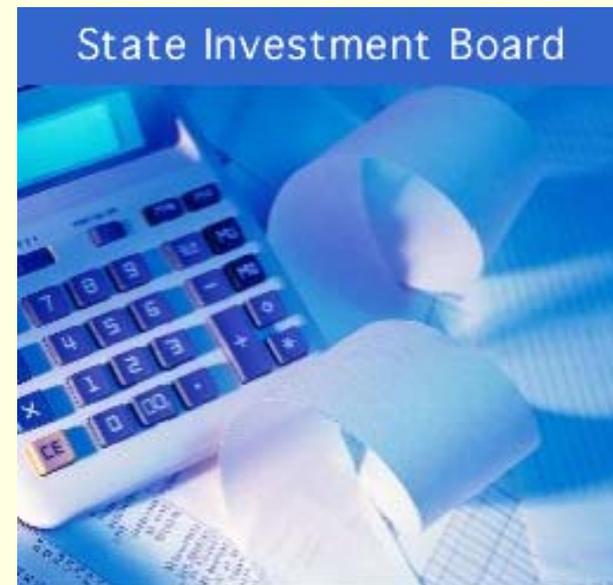
Job Service - Funded Ratio

<u>Year</u>	<u>Present Value of Projected Benefits (millions)</u>	<u>Actuarial Value of Assets (millions)</u>	<u>Funded Ratio</u>
2000	\$56.6	\$71.0	125%
2001	58.7	70.8	121%
2002	59.9	67.6	113%
2003	60.7	66.0	109%
2004	61.8	67.5	109%
2005	63.3	69.3	109%
2006	70.0	70.6	101%
2007	71.7	75.7	106%
2008	71.8	77.0	107%

Market Value was \$89,913,883

Estimate for May 13

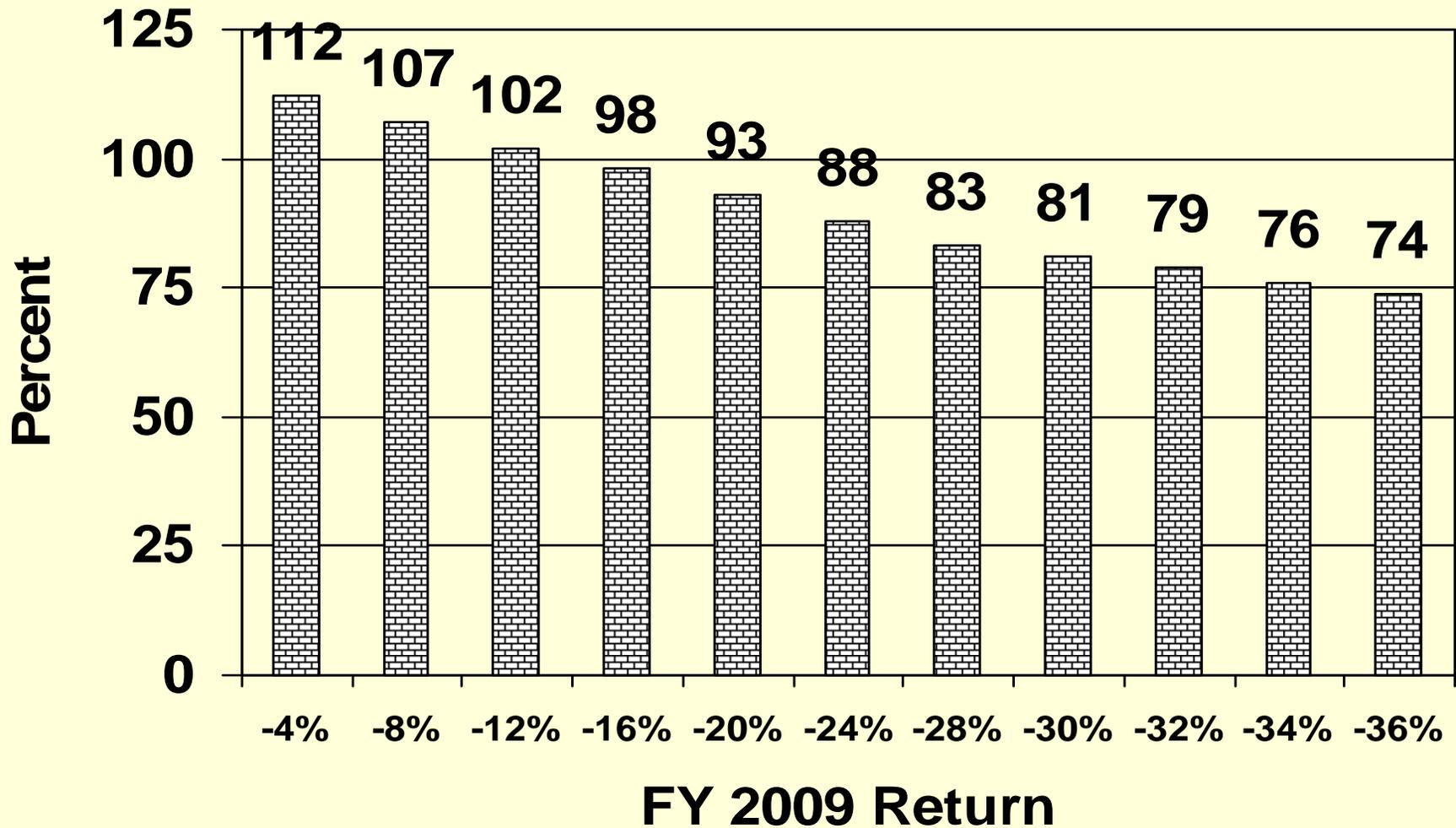
- PERS -24.35%
- Job Service -17.97%
- Retiree Health -20.20%



NDPERS Job Service Plan – Exhibit 1

Projected Funded Ratio at Market Value 6/30/09

Currently 125%



NDPERS Job Service Plan – Exhibit 1

Projected Funded Ratio – Interest 7.5%

and 2009 -20.0% Return and 7.5% Future Returns

Market Value Currently 125%

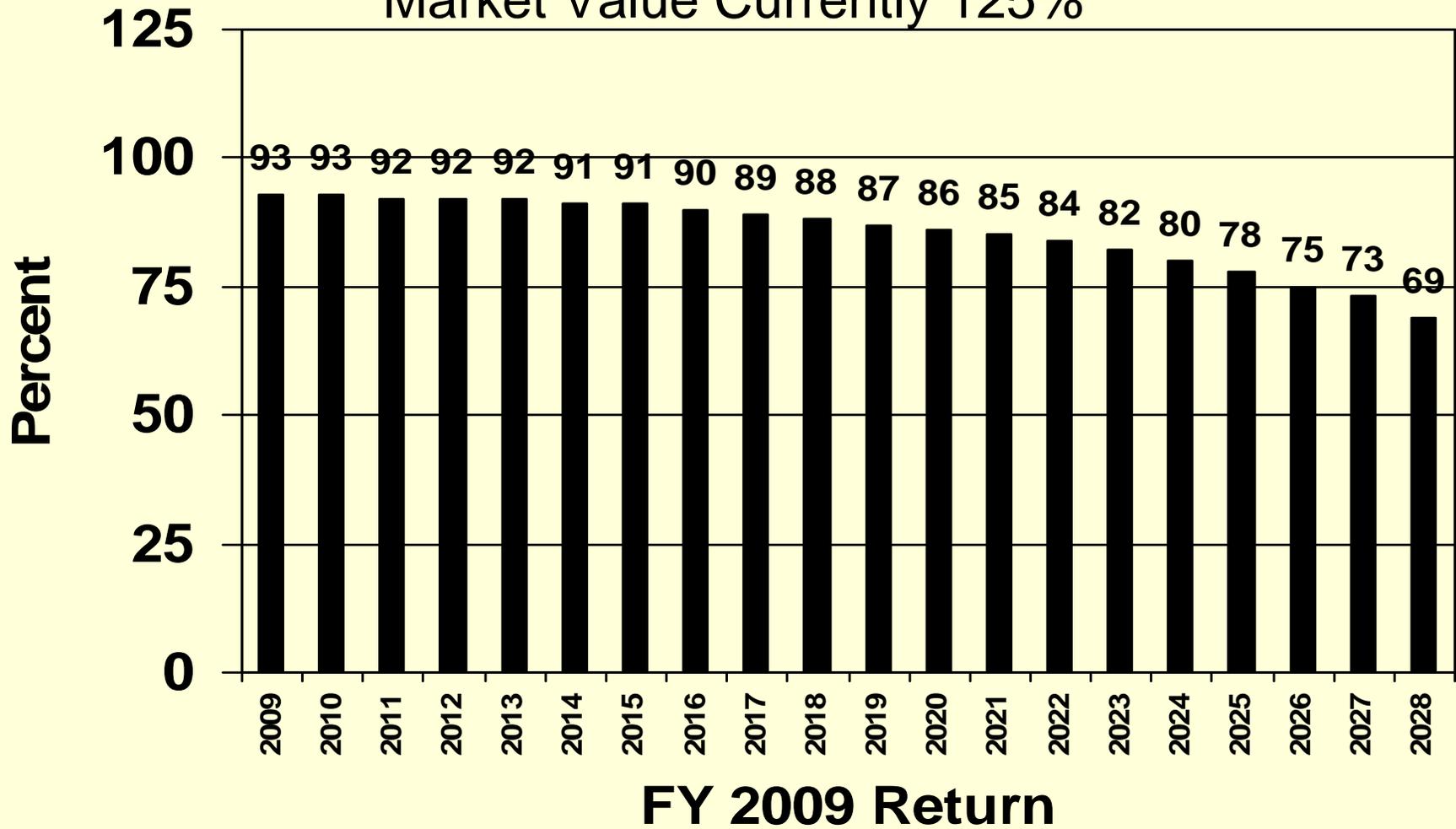


Exhibit 1
North Dakota Job Service
Projected Funded Ratio
Valuation Interest Rate Equals 7.5%
Market Value of Assets to the Present Value of Benefits
(Market Return After FY 2009 Always 7.5%)

Valuation Year	Fiscal Year 2009 Market Value Return										
	-36.0%	-34.0%	-32.0%	-30.0%	-28.0%	-24.0%	-20.0%	-16.0%	-12.0%	-8.0%	-4.0%
2009	74%	76%	79%	81%	83%	88%	93%	98%	102%	107%	112%
2010	73%	75%	78%	80%	83%	88%	93%	98%	103%	108%	113%
2011	71%	74%	76%	79%	82%	87%	92%	98%	103%	108%	114%
2012	70%	72%	75%	78%	81%	86%	92%	98%	103%	109%	115%
2013	68%	71%	74%	77%	80%	86%	92%	98%	104%	110%	116%
2014	66%	69%	72%	75%	78%	85%	91%	98%	104%	110%	117%
2015	63%	67%	70%	74%	77%	84%	91%	98%	104%	111%	118%
2016	61%	64%	68%	72%	75%	83%	90%	97%	105%	112%	120%
2017	57%	61%	65%	69%	73%	81%	89%	97%	105%	113%	121%
2018	54%	58%	62%	67%	71%	80%	88%	97%	106%	114%	123%
2019	50%	54%	59%	64%	69%	78%	87%	97%	106%	116%	125%
2020	45%	50%	55%	60%	66%	76%	86%	97%	107%	117%	128%
2021	40%	45%	51%	57%	62%	74%	85%	96%	108%	119%	131%
2022	34%	40%	46%	52%	59%	71%	84%	96%	109%	121%	134%
2023	27%	33%	40%	47%	54%	68%	82%	96%	110%	124%	137%
2024	19%	26%	34%	42%	49%	65%	80%	95%	111%	126%	142%
2025	9%	18%	26%	35%	44%	61%	78%	95%	112%	129%	147%
2026	-1%	8%	18%	28%	37%	56%	75%	95%	114%	133%	152%
2027	-13%	-3%	8%	19%	30%	51%	73%	94%	116%	137%	159%
2028	-28%	-16%	-3%	9%	21%	45%	69%	94%	118%	142%	166%
Surplus/(deficit) in millions as of 7/1/2028	(\$73.0)	(\$66.1)	(\$59.1)	(\$52.2)	(\$45.3)	(\$31.4)	(\$17.6)	(\$3.7)	\$10.2	\$24.1	\$38.0

NDPERS Job Service Plan – Exhibit 2

Projected Funded Ratio – Interest 8.0%

and 2009 -20.0% Return and 8.0% Future Returns

Market Value Currently 125%

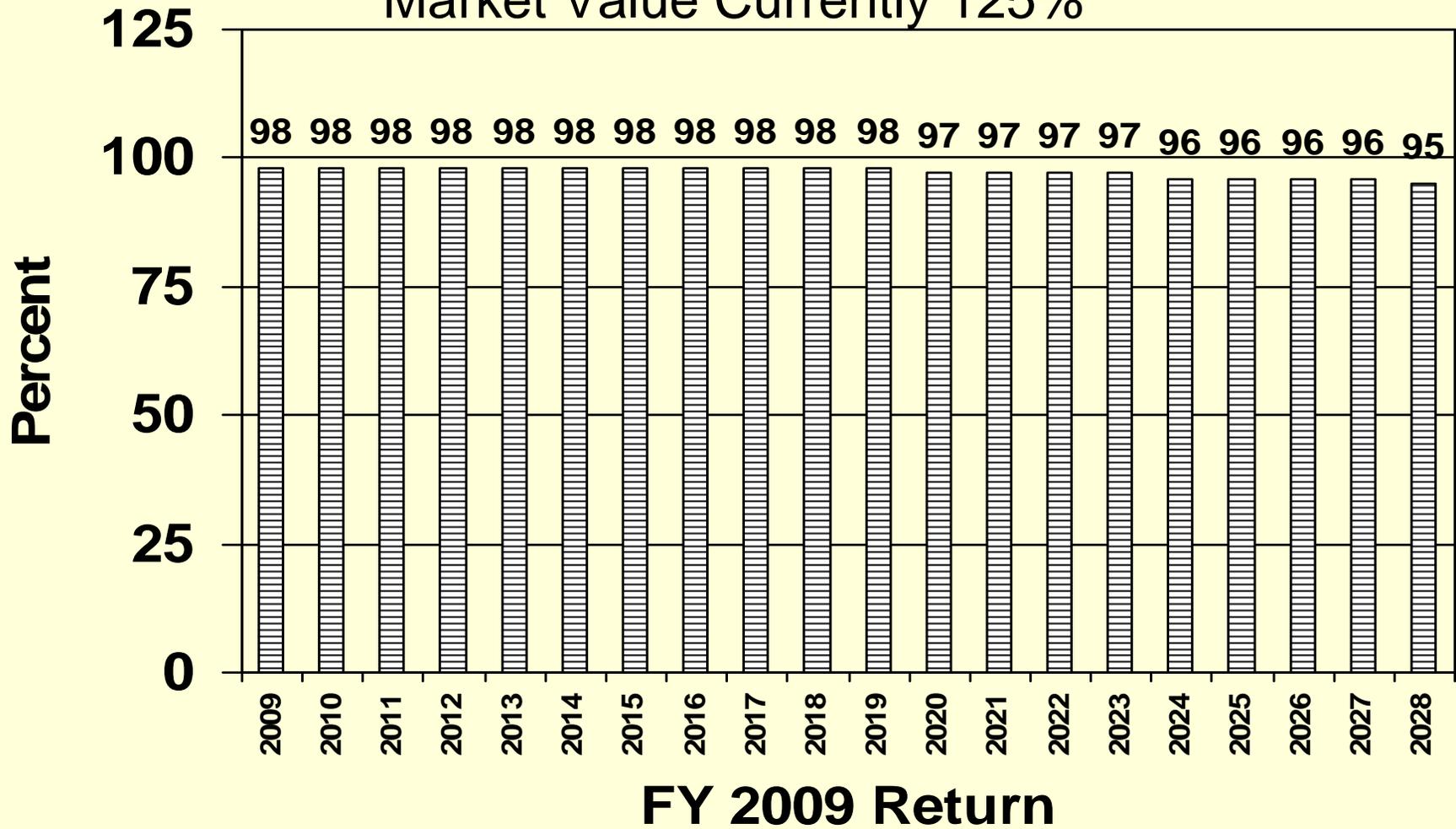


Exhibit 2
North Dakota Job Service
Projected Funded Ratio
Valuation Interest Rate Equals 8.0%
Market Value of Assets to the Present Value of Benefits
(Market Return After FY 2009 Always 8.0%)

Valuation Year	Fiscal Year 2009 Market Value Return										
	-36.0%	-34.0%	-32.0%	-30.0%	-28.0%	-24.0%	-20.0%	-16.0%	-12.0%	-8.0%	-4.0%
2009	78%	80%	83%	85%	88%	93%	98%	103%	108%	113%	118%
2010	77%	79%	82%	85%	87%	93%	98%	103%	109%	114%	119%
2011	76%	78%	81%	84%	87%	92%	98%	104%	109%	115%	121%
2012	74%	77%	80%	83%	86%	92%	98%	104%	110%	116%	122%
2013	73%	76%	79%	82%	85%	92%	98%	104%	111%	117%	124%
2014	71%	74%	78%	81%	84%	91%	98%	105%	112%	119%	125%
2015	69%	72%	76%	80%	83%	91%	98%	105%	113%	120%	127%
2016	66%	70%	74%	78%	82%	90%	98%	106%	114%	122%	130%
2017	63%	68%	72%	76%	81%	89%	98%	106%	115%	124%	132%
2018	60%	65%	70%	74%	79%	88%	98%	107%	117%	126%	135%
2019	56%	62%	67%	72%	77%	87%	98%	108%	118%	128%	139%
2020	52%	58%	64%	69%	75%	86%	97%	109%	120%	131%	143%
2021	47%	54%	60%	66%	72%	85%	97%	110%	122%	135%	147%
2022	42%	49%	56%	63%	69%	83%	97%	111%	125%	138%	152%
2023	36%	43%	51%	58%	66%	81%	97%	112%	127%	143%	158%
2024	28%	37%	45%	54%	62%	79%	96%	114%	131%	148%	165%
2025	20%	29%	39%	49%	58%	77%	96%	115%	134%	153%	173%
2026	10%	21%	32%	42%	53%	74%	96%	117%	139%	160%	182%
2027	-1%	11%	23%	35%	47%	71%	96%	120%	144%	168%	192%
2028	-14%	0%	13%	27%	41%	68%	95%	122%	150%	177%	204%
Surplus/(deficit) in millions as of 7/1/2028	(\$63.2)	(\$55.7)	(\$48.1)	(\$40.6)	(\$33.0)	(\$17.9)	(\$2.7)	\$12.4	\$27.6	\$42.8	\$58.0

NDPERS Job Service Plan – Exhibit 3

Projected Funded Ratio – Interest 7.5%
and 2009 -20.0% Return and 7.5% Future Returns

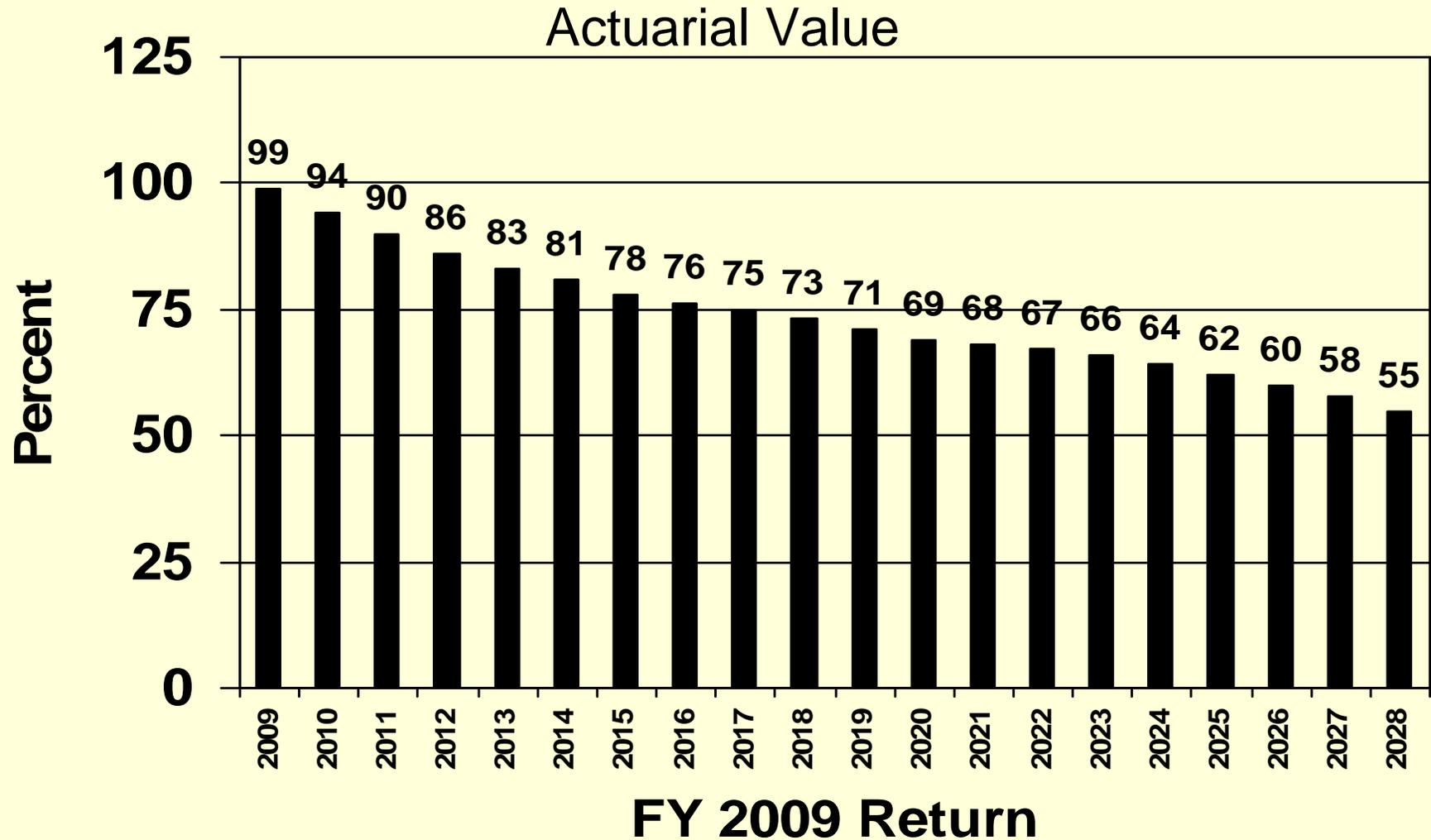


Exhibit 3
North Dakota Job Service
Projected Funded Ratio
Valuation Interest Rate Equals 7.5%
Actuarial Value of Assets to the Present Value of Benefits
(Market Return After FY 2009 Always 7.5%)

Valuation Year	Fiscal Year 2009 Market Value Return										
	-36.0%	-34.0%	-32.0%	-30.0%	-28.0%	-24.0%	-20.0%	-16.0%	-12.0%	-8.0%	-4.0%
2009	89%	92%	94%	97%	97%	98%	99%	100%	101%	103%	104%
2010	81%	84%	87%	89%	90%	92%	94%	96%	98%	100%	102%
2011	75%	78%	80%	83%	84%	87%	90%	92%	95%	97%	100%
2012	70%	72%	75%	78%	79%	83%	86%	89%	93%	96%	99%
2013	65%	68%	71%	73%	75%	79%	83%	87%	91%	95%	99%
2014	61%	64%	67%	69%	72%	76%	81%	85%	90%	94%	99%
2015	57%	60%	63%	66%	68%	73%	78%	83%	89%	94%	99%
2016	53%	56%	59%	62%	65%	71%	76%	82%	88%	93%	99%
2017	49%	52%	56%	59%	62%	68%	75%	81%	87%	93%	100%
2018	44%	48%	52%	55%	59%	66%	73%	80%	87%	94%	101%
2019	40%	44%	48%	52%	56%	63%	71%	79%	86%	94%	102%
2020	36%	40%	44%	48%	53%	61%	69%	78%	86%	95%	103%
2021	32%	36%	41%	45%	50%	59%	68%	77%	86%	96%	105%
2022	27%	32%	37%	42%	47%	57%	67%	77%	87%	97%	107%
2023	21%	27%	32%	38%	43%	54%	66%	77%	88%	99%	110%
2024	15%	21%	27%	33%	39%	52%	64%	76%	89%	101%	113%
2025	7%	14%	21%	28%	35%	49%	62%	76%	90%	104%	117%
2026	-1%	7%	14%	22%	30%	45%	60%	76%	91%	106%	122%
2027	-16%	-3%	6%	15%	24%	41%	58%	75%	93%	110%	127%
2028	-33%	-19%	-4%	7%	17%	36%	55%	75%	94%	114%	133%
Surplus/(deficit) in millions as of 7/1/2028	(\$76.1)	(\$67.8)	(\$59.5)	(\$53.2)	(\$47.7)	(\$36.6)	(\$25.5)	(\$14.4)	(\$3.3)	\$7.8	\$19.0

NDPERS Job Service Plan – Exhibit 4

Projected Funded Ratio – Interest 8.0%
and 2009 -20.0% Return and 8.0% Future Returns

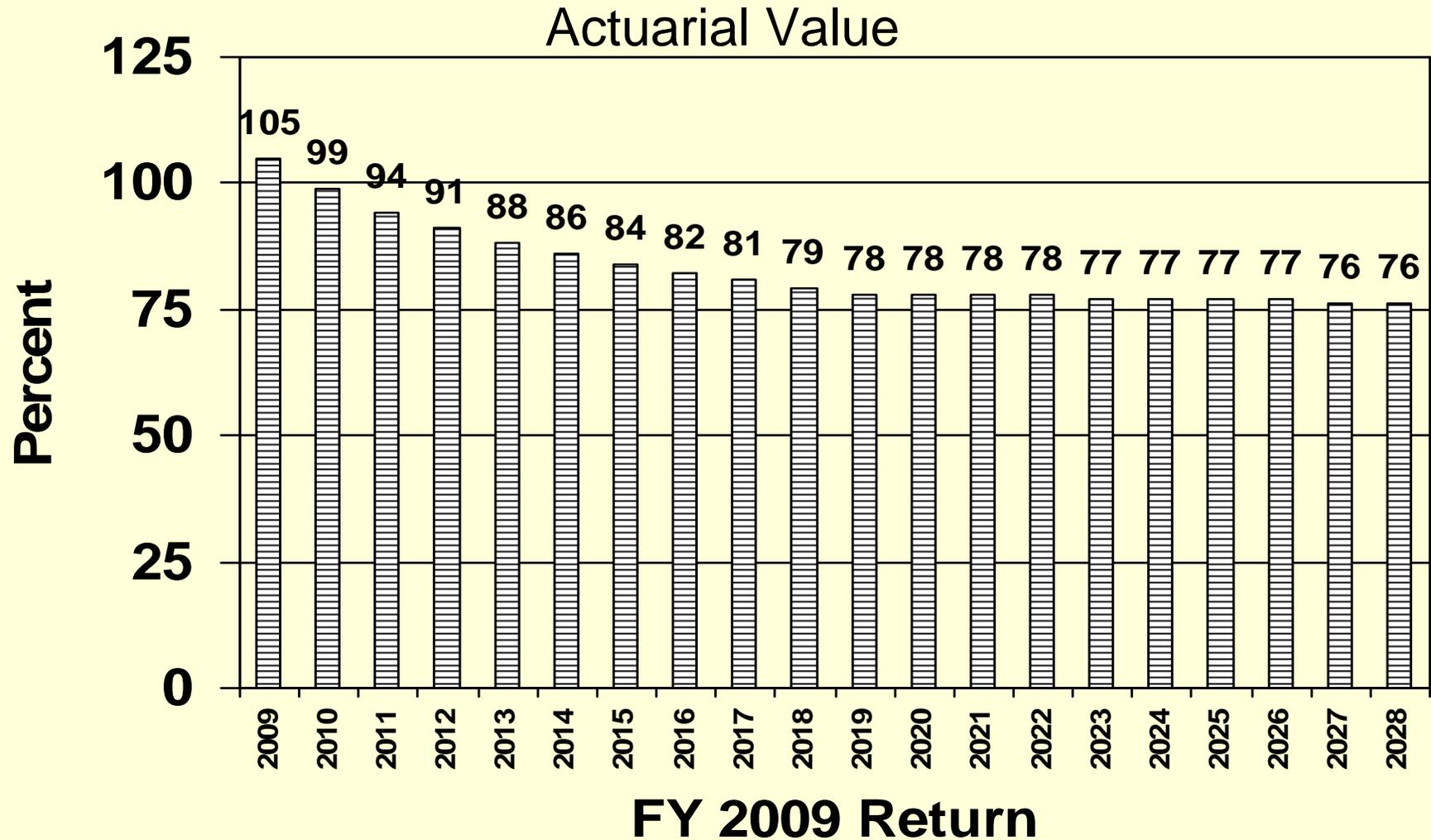


Exhibit 4
North Dakota Job Service
Projected Funded Ratio
Valuation Interest Rate Equals 8.0%
Actuarial Value of Assets to the Present Value of Benefits
(Market Return After FY 2009 Always 8.0%)

Valuation Year	Fiscal Year 2009 Market Value Return										
	-36.0%	-34.0%	-32.0%	-30.0%	-28.0%	-24.0%	-20.0%	-16.0%	-12.0%	-8.0%	-4.0%
2009	94%	97%	100%	102%	103%	104%	105%	106%	107%	108%	109%
2010	86%	89%	91%	94%	95%	97%	99%	101%	103%	105%	107%
2011	79%	82%	85%	87%	89%	92%	94%	97%	100%	103%	106%
2012	73%	76%	79%	82%	84%	87%	91%	94%	98%	101%	105%
2013	69%	72%	75%	78%	80%	84%	88%	92%	96%	100%	104%
2014	64%	68%	71%	74%	76%	81%	86%	90%	95%	100%	105%
2015	60%	64%	67%	70%	73%	78%	84%	89%	94%	100%	105%
2016	57%	60%	63%	67%	70%	76%	82%	88%	94%	100%	106%
2017	53%	56%	60%	64%	67%	74%	81%	87%	94%	101%	107%
2018	49%	53%	57%	61%	64%	72%	79%	87%	94%	102%	109%
2019	45%	49%	53%	58%	62%	70%	78%	86%	95%	103%	111%
2020	42%	46%	51%	55%	60%	69%	78%	87%	96%	105%	114%
2021	38%	43%	48%	53%	58%	68%	78%	88%	98%	108%	118%
2022	34%	39%	45%	50%	56%	67%	78%	89%	100%	111%	122%
2023	28%	35%	41%	47%	53%	65%	77%	90%	102%	114%	126%
2024	23%	29%	36%	43%	50%	64%	77%	91%	105%	118%	132%
2025	16%	24%	31%	39%	46%	62%	77%	92%	108%	123%	138%
2026	8%	17%	25%	34%	42%	60%	77%	94%	111%	128%	145%
2027	-1%	9%	19%	28%	38%	57%	76%	96%	115%	134%	154%
2028	-17%	0%	11%	22%	32%	54%	76%	98%	120%	142%	164%
Surplus/(deficit) in millions											

(\$64.8) (\$55.7) (\$49.6) (\$43.6) (\$37.5) (\$25.4) (\$13.3) (\$1.1) \$11.0 \$23.1 \$35.3

COLA's

■ History:

2003	2.1%
2004	2.7%
2005	4.1%
2006	3.3%
2007	2.3%



2008 approved rate was 5.8%

**Post-retirement
cost-of-living adjustment:** 5.0% per year.



Social Security Benefits Not Expected to Rise in '10



- The forecasts, by the Obama administration and the Congressional Budget Office, indicate that Social Security beneficiaries will not receive any cost-of-living increase in 2010 or in 2011. The COLA is intended to preserve the purchasing power of Social Security, by increasing benefits to keep pace with consumer prices. In the last year, overall inflation has been low, largely because of the economic downturn and a decline in

Agreement with DOL

To resolve this issue Job Service and the United States Department of Labor agreed to the following:

1. Commencing with the 1999 payment the United States Department of Labor will suspend the unfunded liability payments.
2. The unfunded liability payments will be reactivated and resumed by the United States Department of Labor at any time when the actuarial valuation indicates the Plan is in an under funded status.
3. The trigger mechanism for determining when the Plan goes into an underfunded status is when the actuarial value of assets is less than the actuarial present value of benefits. This information will be made available in the annual Plan actuarial valuation report.

Funds Associated with Agreement

- Fifteen years remain on the 30-year amortization schedule with a remaining balance for the unfunded liability of the North Dakota Plan in the amount of \$9.7 million as of July 1998.



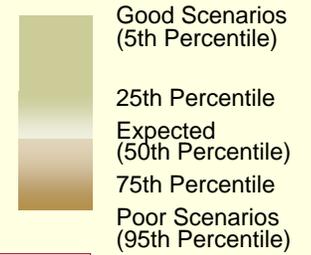
NDPERS COMPARED TO OTHER STATE RETIREMENT PLANS

<i>Asset class</i>	<i>PERS</i>	<i>Job Service</i>
Domestic Equities	40	35
International Equities	15	5
Domestic Fixed Income	29	55
International Fixed Income	5	5
Real Estate	5	0
Alternatives	5	0
Other	1	24

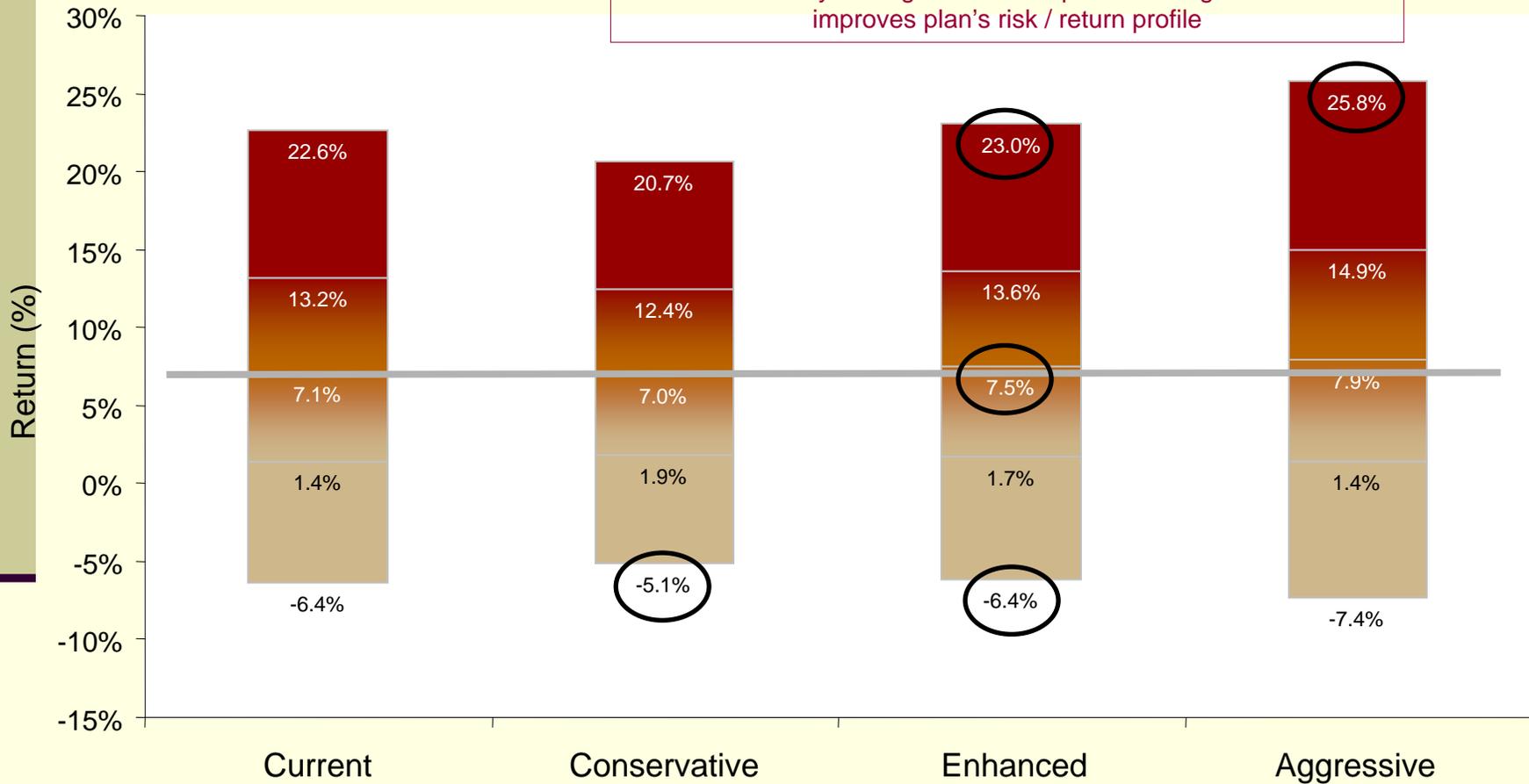
Portfolios considered

Asset Class	Current	Conservative	Enhanced	Aggressive
Large Cap Equity	30	20	25	30
Small Cap Equity	5	4	6	8
Ex-US World Equity	5	6	9	12
Core Fixed Income	55	55	47	38
International Fixed Income	5	5	5	5
High Yield Bonds	-	10	8	7
Total Equity Exposure	40	30	40	50
Total "Return Enhancement"	40	40	48	57
Expected Return	7.1	7.0	7.5	7.9
Standard Deviation	8.8	7.8	8.9	10.1
Risk of Loss (5 th percentile)	-6.4	-5.1	-6.4	-7.4

Distribution of expected annual returns



Optimizing the portfolio and further increasing portfolio diversification by adding a modest exposure to High Yield Bonds improves plan's risk / return profile



Plan's target rate is 7.3%; Plan's rate of return assumption 7.5%

Asset class allocations implementations vary depending on plan

Asset Class	Current	Enhanced
Large Cap Equity	30	25
Small Cap Equity	5	6
Ex-US World Equity	5	9
Core Fixed Income	55	47
International Fixed Income	5	5
High Yield Bonds	-	8
Total Equity Exposure	40	40
Total "Return Enhancement"	40	48
Expected Return	7.1	7.5
Standard Deviation	8.8	8.9
Risk of Loss (5 th percentile)	-6.4	-6.4

Job Service Plan:

Funding requirements are driven by plan's funded status. Downside protection is necessary to protect plan against adverse market scenarios which would trigger employer contributions. Demographic profile and closed status of the plan confirms a more conservative asset allocation implementation.

The Enhanced portfolio maintains the same percentage of equity exposure however increases exposure to "return enhancing" asset classes by 8%. Through increased portfolio diversification to asset classes with historically low correlations to each other, expected return of the portfolio increases without additional risk. The Enhanced portfolio is expected to exceed / meet both the plan's target rate of 7.3% and the plan's return on assets assumption of 7.5% in the 50th percentile.

Executive summary

- Objectives were to maintain plan's funded status, minimizing employer contributions without sacrificing the expected portfolio return.

■ Current Status

- The plan is an inactively dominated, closed plan. As of July 1, 2008, the plan was overfunded.
- There is no 2008 Annual Required Contribution for the plan. Future contribution requirements driven by plan's funded status.
- The target ratio, which includes liability growth as well as benefit payouts as a percentage of assets, is 7.3%.

■ Recommendations

- Optimize overall equity exposure by strategically allocating exposure between US Large Cap, US Small Cap and International Equity.
- Increase overall portfolio diversification by including exposure to High Yield Bonds, an asset class with historically low correlation to US Equity.
- Revisit asset allocation decision annually, eventually shifting the portfolio to be even more conservative, locking in the increased funded ratio the plan is expected to achieve through any required contributions made to the plan, investment returns and liability matching techniques.

• Next Steps

- Revise Investment Management Policy to reflect adopted asset allocation strategy.
- Implement adopted asset allocation strategies based on advice analysis.

Timberland

- 25% of portfolio
- Due to high domestic FI allocation (55%)
- As part of implementation of asset allocation this will be reduced by 50%



NDPERS and RIO

■ NDPERS

- Investment Policies
- Asset Allocation
 - Major asset classes

■ RIO

- Hire money managers
- Monitor money managers
- Refine the asset classes

SIB membership: Lt Governor, Chair

3 PERS Bd members

3 TFFR Bd members

Gary Preszler

Kelly Schmidt (Treasurer)

Adam Hamm (Ins. Com.)

WSI Director



North Dakota Public Employees Retirement System

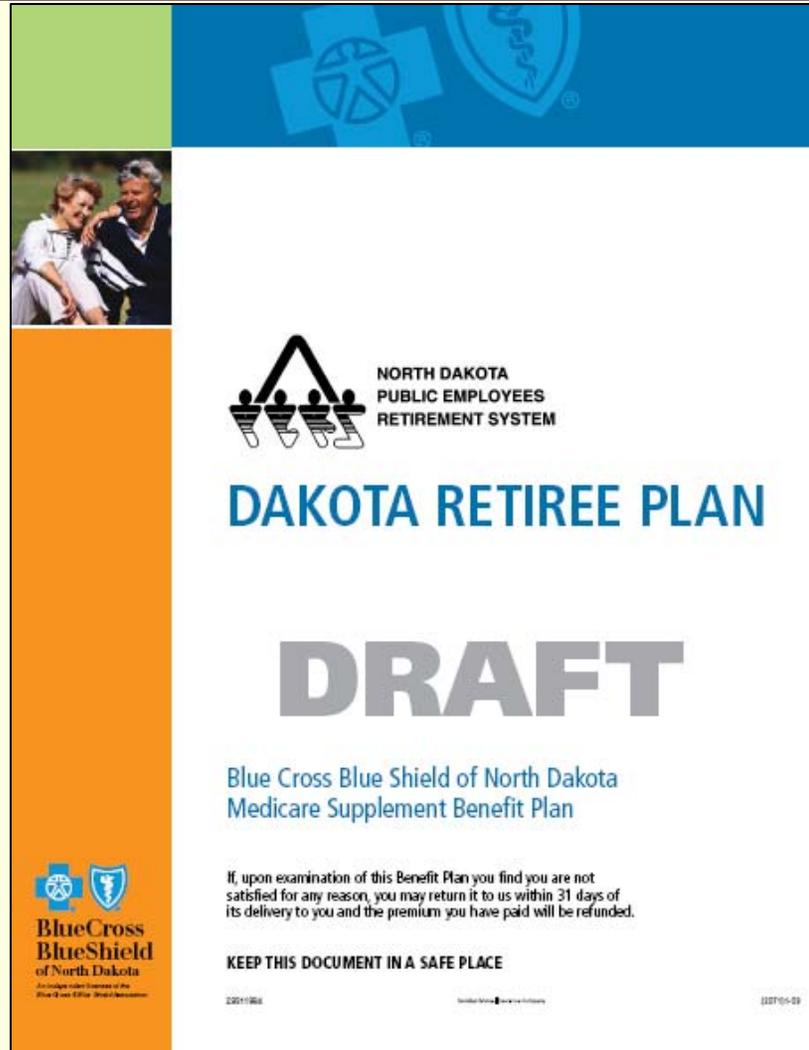
Health Insurance



General Items

- ~~Proposed Plan - mirrors Plan F benefit design with no variations~~
[not a Qualified Plan F product]
- Medicare Retirees must have BOTH Part A & B
- Benefit structure is very different than current plan
 - Follows Medicare and Plan F guidelines for benefits
 - **IF Medicare denies, this plan will deny**
 - Medicare makes changes to benefits at the beginning of each CY
 - 01/01/10 changes would be incorporated
 - Does not automatically coordinate benefits
 - Member responsible to re-file claims for coordination
 - In 2008, COB was only \$7,492
 - Overall benefit design is richer than current plan

Draft Summary Plan Description



**NORTH DAKOTA
PUBLIC EMPLOYEES
RETIREMENT SYSTEM**

DAKOTA RETIREE PLAN

DRAFT

Blue Cross Blue Shield of North Dakota
Medicare Supplement Benefit Plan

If upon examination of this Benefit Plan you find you are not satisfied for any reason, you may return it to us within 31 days of its delivery to you and the premium you have paid will be refunded.

KEEP THIS DOCUMENT IN A SAFE PLACE

23011966 Member Since 1914 100710-09

Draft of Benefit Design Grid

Medicare and NDPERS Dakota Retiree Plan - 2009

PART A - HOSPITAL BENEFITS FOR MEDICARE APPROVED SERVICES

Services	Medicare Pays	NDPERS Dakota Retiree Pays	Member Pays
Hospitalization <i>Semiprivate room and board, general nursing and miscellaneous services and supplies</i>			
First 60 days	All but \$1,068	\$1,068 (Part A deductible)	\$0
61st thru 90th day	All but \$267 a day	\$267 a day	\$0
91st day and after: While using 60 lifetime reserve days	All but \$534 a day	\$534 a day	\$0
Once lifetime reserve days are used: Additional 365 days	\$0	100% of Medicare eligible expenses	\$0*
Beyond the additional 365 days	\$0	\$0	All costs
Skilled Nursing Facility Care <i>You must meet Medicare's requirements, including having been in a hospital for at least three days and entered a Medicare-approved facility within 30 days after leaving the hospital</i>			
First 20 days	All approved amounts	\$0	\$0
21st thru 100th day	All but \$133.50 a day	Up to \$133.50 a day	\$0
101st day and after	\$0	\$0	All costs
Blood			
First Three Pints	\$00	Three pints	\$0
Additional Amounts	100%	\$0	\$0
Hospice Care <i>Available as long as your doctor certifies you are terminally ill and you elect to receive these services</i>			
	All but very limited coinsurance for outpatient drugs and inpatient respite care	\$0	Balance

These Are Some Items Not Covered

- Services that are experimental or investigative in nature or that are not medically necessary as determined by Medicare.
- Services received prior to the effective date of your benefit plan.
- Services when benefits are provided by any governmental unit or social agency except Medicaid or when payment has been made under Medicare Part A or Part B.
- Outpatient prescription drugs, unless eligible under Medicare.
- Custodial care provided in a hospital or by a home health agency.
- Skilled nursing facility care costs beyond what is covered by Medicare and your benefit plan.
- Surgery to improve appearance.
- Services, treatments or supplies that are not a Medicare eligible expense.

PART B - HOSPITAL OUTPATIENT AND PHYSICIAN BENEFITS FOR MEDICARE APPROVED SERVICES

Services	Medicare Pays	NDPERS Dakota Retiree Pays	Member Pays
Medical Expenses <i>In or out of the hospital and outpatient hospital treatment, such as physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, and durable medical equipment</i>			
First \$135 of Medicare Approved Amounts**	\$0	\$135 (Part B deductible)	\$0
Remainder of Medicare Approved Amounts	Generally 80%	Generally 20%	\$0
Part B Excess Charges (Above Medicare Approved Amounts)	\$0	100%	\$0
Blood			
First Three Pints	\$0	All costs	\$0
Next \$135 of Medicare Approved Amounts**	\$0	\$135 (Part B deductible)	\$0
Remainder of Medicare Approved Amounts	80%	20%	\$0
Clinical Laboratory Services <i>Blood Tests For Diagnostic Services</i>			
	100%	\$0	\$0

PARTS A AND B - HOSPITAL AND PHYSICIAN BENEFITS FOR MEDICARE APPROVED SERVICES

Services	Medicare Pays	NDPERS Dakota Retiree Pays	Member Pays
Home Health Care			
Medically necessary skilled care services and medical supplies	100%	\$0	\$0
Durable medical equipment			
First \$135 of Medicare Approved Amounts**	\$0	\$135 (Part B deductible)	\$0
Remainder of Medicare Approved Amounts	80%	20%	\$0

OTHER BENEFITS NOT COVERED BY MEDICARE

Services	Medicare Pays	NDPERS Dakota Retiree Pays	Member Pays
Foreign Travel <i>Not Covered by Medicare - Medically necessary emergency care services beginning during the first 60 days of each trip outside the USA</i>			
First \$250 each calendar year	\$0	\$0	\$250
Remainder of Charges	\$0	80% to a lifetime maximum benefit of \$50,000	20% and amounts over the \$50,000 lifetime maximum

* NOTICE: When your Medicare Part A hospital benefits are exhausted, the insurer stands in the place of Medicare and will pay whatever amount Medicare would have paid for up to an additional 365 days as provided in the policy's "Core Benefits." During this time the hospital is prohibited from billing you for the balance based on any difference between its billed charges and the amount Medicare would have paid.

** Once you have been billed \$135 of Medicare-approved amounts for covered services, your Part B deductible will have been met for the calendar year.

DRAFT

Draft of Benefit Design Grid

- Benefit Structure extremely different than current plan
- Areas with Richer Benefits

Deductible/Coinsurance

- Proposed plan eliminates current deductible & coinsurance (2008= \$1,492,571 & \$932,380)

Lifetime Maximum

- No Lifetime max
 - current plan = \$2 million

Cardiac Rehab

- 18 visits for Cardiac Rehab
 - current plan = 12

Areas with limited benefits

■ Limited Services

- Wound vac
- Home infusion therapy
- Long hour nursing

- Chiropractic

Chiropractic Services (limited)	Helps correct a subluxation (when one or more of the bones of your spine move out of position) using manipulation of the spine. You pay 20% of the Medicare-approved amount, and the Part B deductible applies.
Current Plan	Office Visits/Manipulations – 80%/75%, deductible waived Therapy – 80%/75%, deductible applies.

Areas with limited benefits

■ Skilled Nursing Facility

~Refer to Grid~

Proposed

- No benefits are available beyond the 100 days eligible under Medicare.

Current

- Allows after 100 days if medically appropriate, subject to deductible/coinsurance & lifetime max.

During 2008: \$52,084 in allowed charges

● Foreign Claims

~Refer to Grid~

Medicare Providers

- Providers not participating with Medicare may not be covered
- Provider may Accept Assignment

96% of ND providers are PAR with Medicare

- 4,545 total providers in ND
- 4,353 providers PAR / 192 non-PAR

85% of ND chiropractors are PAR with Medicare

- 287 total Chiropractors in ND
- 245 Chiropractors PAR / 42 non-PAR

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[Medicare Premiums and Coinsurance Rates for 2009](#)
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- ▶ [Enroll](#)
- ▶ [Add/Update Drug & Pharmacy Information](#)

Medicare Stories

"We both find the coverage very beneficial. Judy was on Social Security disability so we have both..."

▶ [Read more](#)

Contents

Medicare & You 2009

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41	Section 2—Decide How to Get Your Medicare

Blue words in the text are defined on pages 115–118.

What's NOT Covered by Part A and Part B?

Items and services that Medicare doesn't cover include, **but aren't limited to**, the following:

- Acupuncture.
- Chiropractic services (except as listed on page 27).
- Cosmetic surgery.
- Custodial care, except when you also get skilled nursing care in a skilled nursing facility, at home, or as part of hospice care.
- Deductibles, coinsurance, or copayments when you get certain health care services. See pages 120–121 for these amounts. People with limited income and resources may get help paying these costs. See pages 82–84.
- Dental care and dentures (with a few exceptions).
- Eye exams (routine), eye refractions (exam that measures how well you see at specific distances), and eyeglasses (except as listed on page 30).
- Foot care (routine), like cutting corns or calluses (with few exceptions). See page 31.
- Hearing aids and exams for the purpose of fitting a hearing aid.
- Hearing tests that haven't been ordered by your doctor.
- Laboratory tests (screening), except those listed on pages 26–35.
- Long-term care. See pages 102–104.
- Orthopedic shoes (with few exceptions). See page 29 under Diabetes Supplies.
- Physical exams (routine or yearly). Medicare will cover a one-time physical exam. See page 33.
- Prescription drugs (with few exceptions). See page 34. See pages 63–71 for information about Medicare prescription drug coverage (Part D).
- Shots to prevent illness, except as listed on pages 30, 31, and 33. Part D must cover all commercially-available vaccines (like the shingles vaccine) except those covered by Part B.
- Surgical procedures given in ambulatory surgical centers that aren't included on Medicare's list of ambulatory surgical center covered procedures.
- Syringes or insulin. Insulin used with an insulin pump is covered by Part B. Syringes or insulin may be covered by Part D.
- Travel (health care while you're traveling outside the United States, except as listed on page 37).



Preventive Services Checklist

Take this checklist to your doctor or other health care provider, and ask which preventive services are right for you. Look on pages 25–34 for more details about the costs, how often, and whether you meet the conditions to get these services. Write down any notes (like the date you get the service).

Medicare-covered Preventive Service	Details on Page	Notes
Abdominal Aortic Aneurysm Screening	26	
Bone Mass Measurement	27	
Cardiovascular Screenings	27	
Colorectal Cancer Screenings		
Fecal Occult Blood Test	28	
Flexible Sigmoidoscopy	28	
Colonoscopy	28	
Barium Enema	28	
Diabetes Screenings	29	
Diabetes Self-Management Training	29	
Flu Shots	30	
Glaucoma Tests	31	
Hepatitis B Shots	31	
Mammogram (screening)	32	
Medical Nutrition Therapy Services	32	
Pap Test and Pelvic Exam (includes breast exam)	33	
Physical Exam (one-time "Welcome to Medicare" physical exam)	33	
Pneumococcal Shot	33	
Prostate Cancer Screenings	34	
Smoking Cessation (counseling to stop smoking)	34	

Rates

NDPERS MEDICARE RATES

	Contracts	Medical	RX Part-D	BCBS Med Sup F	% Inc
1 medicare only	3025	\$168.16	\$63.70	\$231.86	6.48%
2 medicare only	1472	\$333.52	\$127.40	\$460.92	8.30%
3 medicare only	0	\$498.88	\$191.10	\$689.98	35.79%
4 medicare only	0	\$664.24	\$254.80	\$919.04	104.48%
1 medicare + others	326	\$496.28	\$63.70	\$559.98	-10.47%
2 medicare + others	0	\$661.64	\$127.40	\$789.04	39.21%
3 medicare + others	0	\$827.00	\$191.10	\$1,018.10	100.37%
	<u>4823</u>			<u>\$1,563,422</u>	
3 medicare only	6	\$354.62	\$191.10	\$545.72	7.40%
4 medicare only	1	\$217.64	\$254.80	\$472.44	5.11%
2 medicare + others	7	\$491.64	\$127.40	\$619.04	9.22%
3 medicare + others	0	\$354.66	\$191.10	\$545.76	7.41%
	<u>14</u>			<u>\$8,626</u>	
	<u><u>4,837</u></u>			<u><u>\$1,572,048</u></u>	

Legislation



North Dakota Public Employees Retirement System

SB 2150— This bill proposes numerous administrative and technical changes as well additional options for the PERS and HP retirement plans

- Graduated benefit option
- Eligibility for the PERS board
- Eligibility for SIB
- Update federal compliance

HB 1121 — This bill proposes a percentage increase and 13th check adjustment for PERS & HP retirees that is funded from earnings for the 13th check and from a one time 2 year increase in employer contributions

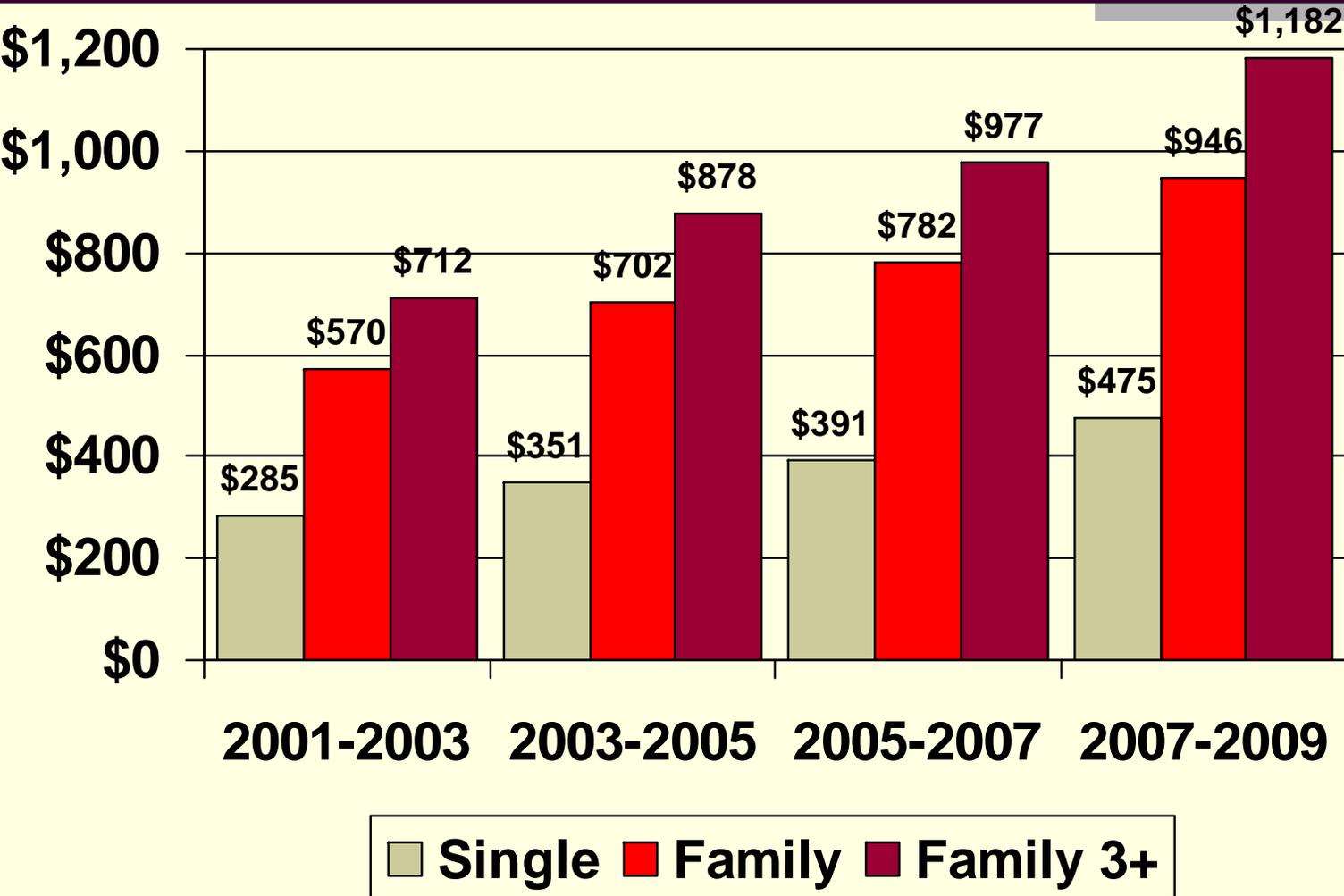
- 2% COLA in Jan of 2011 funded by an increase in employer contributions for 2 years
- 13 check if the following are meet:
 - 50% if 8% return and funded status at market is 105%
 - 75% if 9% return and funded status at market is 110%
 - 100% if 10% return and funded status at market is 115%
- Optional for Pol. Subs.
- Will propose an amendment for consideration of retirement funding

Proposals

1. State law presently sets the premedicare rate as:
 - a. For single plans it is 150% of the state single rate
 - b. For family plans of 2 it is 2 times the single rate (set in a)
 - c. For family plans of 3 or more it is 2.5% times the single rate (set in a)The proposed change in this section would change the 150% to 125% thereby reducing the premedicare rates. This will increase the active rates and have an effect on the OPEB liability that will be determined in the actuarial review.
2. Provides an expiration for the bill as July 1, 2011.

HB 1120– This bill proposes to change the PreMedicare calculation method to reduce the cost for these retirees and members (PERS, TFFR, TIAA-Creff, HP, Job Service and former legislators)

NDPERS Non-Medicare Premiums



NDPERS Non-Medicare Rates 2009-2011 biennium (Estimated)

NM Active Single: \$400.10 Biennium Increase
Retirees

150%	Single	548	\$600.15	\$328,882		26.30%
	Family	226	\$1,200.30	\$271,268		
	Family 3+	6	\$1,500.38	\$9,002		
				\$609,152	\$14,619,654.00	
140%	Single	548	\$560.14	\$306,957		17.84%
	Family	226	\$1,120.28	\$253,183		
	Family 3+	6	\$1,400.35	\$8,402		
				\$568,542	\$13,645,010.40	
					\$974,643.60	
135%	Single	548	\$540.14	\$295,994		13.63%
	Family	226	\$1,080.27	\$244,141		
	Family 3+	6	\$1,350.34	\$8,102		
				\$548,237	\$13,157,688.60	
					\$1,461,965.40	
130%	Single	548	\$520.13	\$285,031		9.42%
	Family	226	\$1,040.26	\$235,099		
	Family 3+	6	\$1,300.33	\$7,802		
				\$527,932	\$12,670,366.80	
					\$1,949,287.20	
125%	Single	548	\$500.13	\$274,069		5.22%
	Family	226	\$1,000.25	\$226,057		
	Family 3+	6	\$1,250.31	\$7,502		
				\$507,627	\$12,183,045.00	
					\$2,436,609.00	



-
- Single: \$475.34 to \$600.08
 - Family(2):\$946.42 to \$1200.16
 - Family(3+):\$1181.98 to \$1500.20

Proposals
1. Increases the employer contribution by .15% to fund the increase in benefits. The amount of the increase is based on the actuarial work from last session and is subject to change.
2. Increases the health credit amount from \$4.50 to \$5. The increase in benefits would be effective August 1 unless an appropriation is added to the bill then it would be July 1, 2009.

SB 2154– This bill proposes to increase the retiree health credit from \$4.50 to \$5 and fund it with an increase in employer contributions.